

**MINUTES OF THE SPECIAL MEETING
BUDGET WORKSESSION
ROWAN COUNTY BOARD OF COMMISSIONERS
June 10, 2013 – 3:00 PM**

**J. NEWTON COHEN, SR. ROOM
J. NEWTON COHEN, SR. ROWAN COUNTY ADMINISTRATION BUILDING**

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Present: Jim Sides, Chairman
Craig Pierce, Vice-Chairman
Jon Barber, Member
Mike Caskey, Member
Chad Mitchell, Member

County Manager Gary Page, Clerk to the Board Carolyn Barger, and Finance Director Leslie Heidrick were present. County Attorney Jay Dees was not required to attend the meeting.

Chairman Sides convened the meeting at 3:00 p.m.

Chairman Sides provided the Invocation and also led the Pledge of Allegiance.

CONSIDER APPROVAL OF THE AGENDA

Commissioner Barber moved, Commissioner Pierce seconded and the vote to approve the agenda passed unanimously.

OPENING REMARKS

Chairman Sides said the purpose of the meeting was to discuss the fiscal year 2013-14 budget. Chairman Sides said each Commissioner had the Manager's copy of the budget, as well as the budget requests to review over the last several weeks. Chairman Sides recommended allowing each Commissioner to bring up any items for a vote that could then go back to the County Manager and Finance Director to either add to the budget or remove from the budget. Chairman Sides went on to say that any item not discussed would be approved as presented by the County Manager.

1. DISCUSSION REGARDING 2013-14 BUDGET

Commissioner Barber said he hoped for a 5-0 vote on the budget.

Commissioner Barber listed three (3) of the same priorities he had during the first budget work session held on January 31, 2013.

- Homeless Veterans –Commissioner Barber proposed that the County do something to assist the homeless veterans of Rowan County. Commissioner Barber discussed a foundation that started in Rowan County over a year ago and he then suggested providing a county-owned property to the foundation for use as a home for veterans. Commissioner Barber went on to say that Chairman Sides had recommended offering the home to the foundation at \$50,000 and the County could finance the loan, interest free for a ten (10) year period, with the foundation paying all legal fees and closing costs. Commissioner Barber said there would be a claw back provision that if the home was not used during the next fifteen (15) years, then the home would revert back to the County. Commissioner Barber said he wanted the Board to consider the payments beginning on the day ownership was taken rather requiring a down payment.

Commissioner Caskey asked for clarification on the ten (10) years versus the \$5000 at closing, saying he would have no problem with that change.

Chairman Sides said he would be willing to work with the agency. Chairman Sides said he was impressed with what the foundation wanted to do for veterans and that the house in question was of no value to the County sitting vacant. Chairman Sides felt the foundation should pay the \$5000 up front to show they were making an honest effort to raise funds somewhere besides the County. Chairman Sides said this was the minimum needed for his vote.

Commissioner Pierce said the issue that bothered him was not the payment process but rather the \$38,000 the foundation wanted for an up fit. Commissioner Pierce questioned whether the foundation would still be able to make payments and up fit the house.

Commissioner Barber said it would take time but the foundation was willing to raise funds for the necessary up fits.

Commissioner Pierce questioned the payment process and Chairman Sides responded it would be an annual payment of \$5000.

Commissioner Pierce asked about the need for money for repairs in lieu of the annual payment. Commissioner Barber responded that once the contract was signed it was theirs, and if he needed to go to bat for them, he would get out and help raise funds.

Chairman Sides moved to make the house available to the foundation with the stated terms of a \$5000 down payment at closing, \$5000 a year for the next nine (9) years, with the County accepting an early payoff, and the foundation pays all legal and closing costs, the claw back provision that the house has to be used for the intended purpose for fifteen (15) years or the house reverts back to the County with no recourse, and the foundation must first get the property properly zoned for the intended purpose prior to any sale. Commissioner Barber seconded and the motion passed unanimously.

- Library Hours - Commissioner Barber voiced his opinion that library hours needed to be extended without costing the County money. Commissioner Barber used an example of shortening weekday hours in order to be able to open on Sundays.

Chairman Sides said he would leave the hours of operation up to the discretion of Library Director, Jeff Hall, who was more in a position to direct than anyone else. Chairman Sides asked if Jeff Hall were recommending this idea, and Commissioner Barber responded that Jeff Hall would like to see the hours extended, but it would cost the County \$40,000, which was not in the budget.

Commissioner Caskey reported that at the last meeting of the Library Board there was talk of shortening one weekday and trying to open back up on Sunday. Commissioner Caskey said the Library Board did talk about other options with rearranging hours. Commissioner Caskey brought up the fact that a lot of people used the Genealogy Room over the weekend, which could potentially be bringing in dollars to Rowan County.

Chairman Sides said no motion was required since this was not a budget item, but word needed to be passed along to the Library Director.

- Board of Elections - Commissioner Barber asked if there had been any changes to the Manager's recommendation on the space for the Board of Elections.

Chairman Sides moved to instruct staff to make whatever necessary modifications to the building, i.e. carpet, paint, and to make those provisions for the move of the Board of Elections to the Mahaley Avenue location on the first floor only. Chairman Sides said the Board may go back and revisit additional space requirements at a later date. Commissioner Pierce seconded the motion.

Mr. Page said there could be an argument that the space the Board of Elections was gaining was not additional space; however, he stated it would be better for the citizens due to the handicapped accessibility and the additional parking. Mr. Page said some of the elections equipment could be kept in the basement of the current facility being used.

Chairman Sides said the building gave the citizens better access and that there were other uses being looked at for the second floor of the building.

Upon being put to a vote, the motion on the floor passed unanimously.

- Schools - Commissioner Barber addressed the issue of school funding for the Rowan Salisbury Schools (RSSS). Commissioner Barber said he would like to see the County keep the current funding, plus add \$820,000 to the current level. Commissioner Barber said that in March of 2009, the County furloughed employees and reverted \$345,000 from the schools. Commissioner Barber said days later it was found out that the reversion from the schools was not necessary and the furlough days were not necessary. Commissioner Barber said he would like to see the County revert the \$345,000 back to the schools. In addition, Commissioner Barber suggested putting the designated \$375,000 of classroom supply money currently in the budget back into the general fund to use as RSSS saw fit. Commissioner Barber went on to suggest adding new monies for the child nutrition program, which is not funded by current expenses, but rather by the federal government, USDA and parents. Commissioner Barber used the figure of \$100,000 needed to offset the proposed \$.10 increase in school lunches. All total, Commissioner Barber said these programs would amount to \$820,000. Commissioner Barber said this was not in the form of a motion; he wanted to offer the proposal for discussion.

Commissioner Pierce said he felt the recommendation by the County Manager was what he would also recommend. Commissioner Pierce said he definitely wanted to keep the \$375,000 allocated for classroom supplies to go directly to the classroom. Commissioner Pierce stated that RSSS had the same number of schools and administrators as five (5) years ago, even though there were fewer students and less funds available.

Commissioner Caskey said he would also go along with the County Manager's proposal. Commissioner Caskey said he never had a teacher contact him and express a desire for the supply money to be taken away in order for those monies to go into the RSSS general fund.

Commissioner Mitchell said he would personally like to see the County keep the \$225,000 that was cut due to the fewer number of students. Commissioner Mitchell said he would be okay with the \$375,000 classroom supply money being used at RSSS's discretion. Commissioner Mitchell went on to say he would support the restoration of the \$225,000 and allow the flexibility of the \$375,000 in supply money.

Commissioner Mitchell said he would like for the Board to instruct the County Manager to set a percentage of the County's budget for next year's budget for school funding and if there was a tax base increase, the schools would receive a

percentage of that increase as well. Commissioner Mitchell felt that if a percentage of the County budget would go to the schools, it would make the school system a partner in the success of the County. Commissioner Mitchell would like to see the Board move away from the per pupil expenditure.

Chairman Sides said he was in agreement with the percentage expenditure. Chairman Sides said the issue should be a legislative goal that required the Legislature to fix the problem it created. Chairman Sides discussed capital versus current expenditures of the school system stating that at some point in time the County would get out of the hole. Chairman Sides said there was always more need for capital than the County could ever meet due to having to provide so much for current expense. Chairman Sides stated the Legislature had to fix the problem they created and he was going to make that a legislative goal again this year.

Chairman Sides felt that some of the problems RSSS had were not created by the Board of Commissioners, but rather by the RSSS Board. Chairman Sides stated the BOC was doing what was legislatively required and more. Chairman Sides explained that the Legislature did not require the \$31 million for current expense that the County provided. Chairman Sides said that when RSSS came to the County with a capital needs program in 2002, the County stepped to the plate and provided \$6½ million in debt service on top of the funding stream from sales tax and lottery funding. Chairman Sides said the County was also making payments on another \$6 million that was borrowed to get the schools out of the hole and to furnish the buildings.

Chairman Sides moved to accept the County Manager's recommendation and to keep the sales tax money so that next year, when the County does not receive the lottery money, the sales tax money would be used to make the debt service payment. Chairman Sides said in addition to that, the County had already paid \$1.6 million that would have been received if RSSS had signed a letter, so his motion would be to deduct \$800,000 from the current expense and do the same next year to get the lottery money back that had been paid out in debt service.

The motion died for lack of a second.

Commissioner Pierce moved to enforce the motion made at the last meeting and withhold the payment that was sent last week from this year's budget. Commissioner Pierce included in his motion not to send any more of the sales tax revenue until the County received funding from the lottery proceeds.

Chairman Sides said that it would take the County a year to get caught up and then the County would be a year behind. Chairman Sides said that was the reason for his motion.

Chairman Sides inquired as to whether there was another payment that was to be made to the schools for the current year and Ms. Heidrick responded there were no more payments to be made.

Chairman Sides asked if Commissioner Pierce's motion was to take the \$150,000 payment the County had already made from next year's current expense budget, with Commissioner Pierce affirming.

Chairman Sides seconded the motion.

Commissioner Mitchell asked if the motion was the County Manager's recommendation minus \$150,000 to cover the sales tax payment just made. Mr. Page said it would be \$375,000, plus the \$150,000.

Chairman Sides stated RSSS would need to sign the form or the funds would be withheld.

Commissioner Pierce said he wanted to withhold the funds until the money was received.

The motion passed 3-2 with Commissioners Barber and Mitchell dissenting.

- Retirement Incentive - Commissioner Pierce submitted a proposal for an early retirement program for County employees. Commissioner Pierce said he based his proposal on a minimum of thirty (30) years of service. Commissioner Pierce said the plan would state an employee had to have thirty (30) years of credible service and would be paid a one time fee of \$100 per year per service year up to a maximum of \$3,000, a four month payout of a maximum of \$16,500, and then the County would pay the standard retirement and insurance up to age 65. Commissioner Pierce said this proposal only affected a total of ten (10) employees that would be eligible and he would like to make the eligibility available to the employees July 1, 2013 and run until December 31, 2013, at which time the early retirement program would be withdrawn.

Commissioner Pierce said he did not want to make employees wait another ten (10) to fifteen (15) years to be able to retire. Commissioner Pierce said this plan would also enable departments to allow others to move up, rotate some staff to higher positions, and in turn, hire new employees if the need was there to replace those that would be retiring.

Commissioner Mitchell asked if all ten (10) accepted the early retirement, how much monies would the County be out of pocket. Mr. Page said if all replacements were brought in at \$8,000 less than what the retiring employee was making, the County would break even.

Commissioner Pierce said the maximum per person would be \$19,500, not including insurance. Commissioner Pierce said currently all would make the maximum amount or \$195,000 plus benefits/insurance until Medicare kicked in.

Chairman Sides said the unknown was who would take the option.

Commissioner Pierce said the idea was a way to address movement in employment and keep the workforce rotating through promotions.

Chairman Sides said if the Board voted to implement this plan there would be no change in the budget, due to the fact the salaries were already in place. Chairman Sides said the salaries would be more than enough to cover any amount the County would give these employees. Chairman Sides said the only factor was that the County would be short if more people were hired to replace the ones retiring.

Chairman Sides said he would like to put the issue off until the next meeting and have the County Manager come back with the exact cost for each individual.

After some discussion on retirees and insurance, Commissioner Mitchell said he supported the idea but he wanted to make sure the County was not going to go “belly-up” with the payouts. Commissioner Mitchell also said he would like to know, if possible, how many of the ten (10) might the County be able to do without for six months or so, in terms of recouping some of the costs.

Chairman Sides said it would be put on the agenda for the next meeting. Chairman Sides would also like to see what positions, not names, would be involved and what the costs would be.

Commissioner Pierce made a motion to put the item on the June 17, 2013 agenda to be voted on. Commissioner Caskey seconded the motion and the motion passed unanimously.

- Animal Shelter – Commissioner Pierce said he would like to propose using volunteers to clean the Animal Shelter once a week, saving the County \$7,000 per year. Commissioner Pierce said he would like to have those volunteers contact the County Manager if they were interested. Commissioner Pierce said he would then like to take the \$7,000 and contact the local high schools that have masonry classes to see if partitions between the cages could be built to prevent the transfer of diseases.

Commissioner Pierce said he would also like to propose a pilot program in the amount of \$10,000 for euthanizing larger and older animals that would not be adopted. Commissioner Pierce said he would like to see if this program would work and to seek monies from other grants.

Commissioner Pierce moved to spend \$10,000 on a pilot program for euthanization of animals, focusing on the older and larger animals. Added to the motion was the County's use of volunteers who had said (at a previous Commission Meeting) they would clean the cages, and take the \$7,000 savings and build partitions between the cages. Chairman Sides seconded the motion.

Commissioner Mitchell said he did not have an issue with volunteers or using the \$7,000 to build the partitions. Commissioner Mitchell said at this moment he did not support the \$10,000 for the lethal injection. Commissioner Mitchell explained that Animal Control Staff had been unified that the best and most humane way to euthanize animals was through the use of the carbon monoxide gas chamber. Commissioner Mitchell went on to state that staff would have to manually inject the animals, which could put staff at risk. Commissioner Mitchell said the safety of staff had to be considered. Commissioner Mitchell said the Animal Control was USDA inspected and the County passed inspections. Commissioner Mitchell pointed out that what happens at Animal Control was the best the County could do. Commissioner Mitchell said he would be open to requiring the sterilization of animals prior to leaving the shelter. Commissioner Mitchell said the Health Department, through Animal Control, had several different potential plans to accommodate the goal, mainly requiring space for a vet to come on site to perform the procedures. Commissioner Mitchell said in the past there had been issues of adopted pets wanting to be taken home immediately, whereas sterilizing would require extra days and possible euthanization. Commissioner Mitchell said prior to changing the euthanization program, the County needed to get to the core of the sterilization program.

Commissioner Pierce said he understood Commissioner Mitchell's concern which was why he recommended the larger and older animals for the pilot program. Commissioner Pierce agreed on sterilization and saw no reason not to have the animal sterilized after the adoption fee was paid and require the waiting period prior to the animal being able to leave the shelter.

Commissioner Mitchell said he felt the adoptions would decline if there had to be a waiting period, but he was willing to try anything. Commissioner Mitchell said there were too many animals leaving the shelter that were not getting sterilized once they left.

Commissioner Pierce said if the adoptions declined, at least the ones going out of the shelter would be sterilized.

Commissioner Mitchell brought up the fact that there were low cost sterilization options in the County now. Commissioner Mitchell said the County may need to think about increasing the adoption fee to cover the costs. Commissioner Mitchell mentioned that now may be the time to consider moving Animal Control

under the Sheriff's Office, putting more emphasis on control, and begin spinning off adoption efforts to volunteer groups.

Mr. Page said the worker's compensation issue was a main factor in the lethal injection option, noting the potential in dealing with dangerous animals. Mr. Page said an option could be to use the \$10,000 and take the animal to a vet.

Commissioner Pierce said the issue was to try to start the program to see if it would be cost effective. Commissioner Pierce said he would like to see how far the \$10,000 would go and if there would be an affect. Commissioner Pierce also agreed that he would like for Animal Control to go under the Sheriff's Office.

Commissioner Mitchell recommended the possibility of partnering with a no-kill group. Chairman Mitchell said he would support \$10,000 toward a lethalization program as long as there would be coordination with Clai Martin, the Animal Control Supervisor and Barbara Ellis, Health Department Director, in the program's implementation.

Chairman Sides said it was not a small problem in Rowan County. Chairman Sides went on to say that there were 6,000 animals put down per year. Chairman Sides said he would like for the volunteers to contact Clai Martin to set up when they would volunteer rather than the County Manager.

Commissioner Mitchell brought up the fact that volunteers might not show up and the result would be the County having to call a contract company to come in to clean.

Commissioner Pierce said he would need to see three (3) consecutive months of activity by the volunteers prior to implementing the spending of monies to build partitions.

Mr. Page said the waiver that was proposed would not be enough and the County would still need to be protected.

Upon being put to a vote, the motion on the floor passed unanimously.

- 2010 Bond Referendum – Commissioner Pierce handed out a copy of the minutes from March 21, 2011 where a vote had been taken to implement the first quarter cent ($\frac{1}{4}$) of the Bond Referendum on the 2010 ballot. Commissioner Pierce went on to point out a statement on the bottom of the referendum as, "A tax to be levied and therefore be approved" which was approved 55-44% in November of 2010. Commissioner Pierce said he would like to thank the past and current Board for not implementing any tax increases other than the quarter ($\frac{1}{4}$) cent to this point. Commissioner Pierce said after having conversations with the County Manager and Finance Director, he understood the debt service on the bond for this year

would be \$1.1 million. Commissioner Pierce asked to have the last one (1) cent of the agreed upon tax increase implemented. Commissioner Pierce said the County could no longer take the fund balance down for debt service and now was the time to be able to pay the bond debt service that was voted on by the tax payers.

Commissioner Pierce made a motion to implement the one (1) cent that was agreed upon on March 21, 2011.

The motion died for lack of a second.

Commissioner Caskey said he had three items to discuss.

- Economic Development Commission (EDC) – Commissioner Caskey moved to restore the \$13,212 asked for in the original budget request. Commissioner Barber seconded the motion.

Commissioner Caskey said several years ago the EDC took a decrease with the downturn of the economy. Commissioner Caskey said everything needed to be done now to increase the tax base. Commissioner Caskey pointed out that counties the size of Rowan were ahead where economic development funding was concerned. Commissioner Caskey said that \$13,212 was not a lot in the scheme of things but would show that Rowan County was trying to get economic development in the County.

Chairman Sides said he had been to several meetings when the EDC Director spoke regarding funding. Chairman Sides said the County provided approximately 77% of the EDC funding. Chairman Sides reported the EDC had a four (4) month fund balance compared to the County's one and a half (1½) months. Chairman Sides was of the opinion the EDC did not need an increase due to the fact no need had been identified to him in the EDC budget. Chairman Sides said he would not vote for the EDC to receive an increase.

- Additional Position at the EDC – Commissioner Caskey discussed an additional \$30,000 for a position with the EDC, labeled as an Existing Industry Coordinator. Commissioner Caskey said the individual in the position would work with existing businesses trying to match needed goods and services with what was currently in the County. Commissioner Caskey outlined the position as a contract position for two (2) years with a salary of approximately \$40,000 - \$50,000. Commissioner Caskey felt the position would pay for itself, should business increase by \$10 million. Chairman Sides said he appreciated Commissioner Caskey's zeal but stated the fact was the EDC had a four (4) month fund balance.

Commissioner Pierce spoke on the position that Commissioner Caskey had proposed and asked if the money to pay for this position would come out of the EDC fund balance.

Commissioner Caskey said he had just made the motion for the \$13,000, but if that was added together with the \$30,000 would give the EDC a \$43,000 increase. Commissioner Caskey pointed out that the \$30,000 would only be for two (2) years.

Commissioner Pierce asked if Commissioner Caskey knew who the immediate supervisor would be and Commissioner Caskey responded he would leave it up to the EDC.

Commissioner Pierce asked if Commissioner Caskey would entertain that if the \$13,000 was not cut, the EDC make up the difference the first year out of their fund balance until the County could see some type of performance. Commissioner Pierce said after a year the County should be able to tell if the position was sustainable as well as productive.

Commissioner Caskey described the proposal as a two (2) year project with the County providing \$30,000 this year and \$30,000 next year. Commissioner Caskey said that if the EDC needed an increase, the funds would have to come out of the EDC fund balance.

Commissioner Barber restated the motion on the floor as accepting the expansion budget request of the EDC increasing the amount by \$13,212. Commissioner Barber asked if the \$30,000 was a separate issue or whether Commissioner Caskey was amending his motion to include both issues.

Commissioner Caskey said he preferred the two (2) issues to be separate.

The motion on the floor to restore the \$13,212 passed 4-1 with Chairman Sides dissenting.

Commissioner Caskey moved to implement a two (2) year initiative of \$30,000 per year for an Existing Industry Coordinator and for the EDC Director to report back to the Board every six (6) months to report on the progress.

Chairman Sides said for him, it was not a matter of whether he agreed or disagreed with the idea, but rather a matter of disagreement over the funding since the EDC had the money in their budget.

The motion was seconded by Commissioner Mitchell. In looking at the EDC's budget, Commissioner Mitchell stated the EDC had an unrestricted fund balance to begin the 2013-14 year of \$45,000. Commissioner Mitchell went on to point

out the EDC was using \$44,928 to fund continuing operations and projects that at the end of 2013-14 they would have a fund balance of \$72.

Chairman Sides said the figures did not show the \$185,004 budgeted for a four (4) month operating reserve. Chairman Sides said the funds were unrestricted.

Commissioner Mitchell clarified what Chairman Sides had said in that the EDC budgeted out of their operating budget a four (4) month reserve within the budget itself.

Commissioner Mitchell said the EDC had been asked to take on more and more projects and had done a good job. Commissioner Mitchell said he had no problem supporting the \$30,000 and he preferred to go ahead and earmark the funds for the budget. Commissioner Mitchell said he would like to see a more formal plan stating how this proposed position would work, who reports to whom and the hours. Commissioner Mitchell said he would support the \$30,000 for the concept of the position and request the information be brought back to the Board with exactly how the position was going to work.

Commissioner Caskey asked if the information should be brought back the first meeting in August and Commissioner Mitchell agreed.

Commissioner Barber voiced his opinion that the Board could be getting into too much detail. Commissioner Barber said he was interested in funding the EDC to be more effective. Commissioner Barber said he would prefer to give the EDC \$30,000 and instruct them to make things happen rather than having the position as an Existing Industry Coordinator.

Commissioner Mitchell recommended earmarking the \$30,000 and asking Robert Van Geons to come back to the Board with the actual job description and plan before the position would be implemented.

Upon being put to a vote, the motion on the floor passed 4-1 with Chairman Sides dissenting.

- School Resource Officers – Commissioner Caskey noted that the County could not afford implementing School Resource Officers this year but proposed providing funds for the schools to hire off duty officers to come into the schools whenever needed. Commissioner Caskey stated there was not enough money for an officer to be there all the time. Commissioner Caskey said he had talked with the Sheriff and the fee would be \$20 per hour with officers using their own vehicles. Commissioner Caskey stated this proposal would provide the opportunity for officers to be in the middle schools for security purposes. Commissioner Caskey did not want to make that into a motion but wanted to see if the Board had any thoughts.

Commissioner Mitchell questioned the number of hours per middle school. Commissioner Caskey responded that at \$20 per hour at 250 hours would be \$5000 times six (6) middle schools.

Commissioner Caskey stated one of the issues was the monies would have to be earmarked since the County could not implement the program for overtime reasons. Commissioner Caskey stated the schools would have to write the checks directly to the off duty officers.

In response to an inquiry from Commissioner Barber, Commissioner Mitchell said the funds could be earmarked into current expense and that would be its only purpose. The individual schools would draw down their allocated current expense.

Commissioner Pierce questioned hiring a subcontractor group, to which Ms. Heidrick agreed could be done. Commissioner Pierce went on to say he had rather the County have control than the monies going into the school budget. Commissioner Pierce said he was not looking at just this year. Commissioner Pierce said he would be in favor if the County hired a subcontract security force that the schools could use at their discretion.

Commissioner Mitchell recommended waiting until a workable plan could be presented.

Commissioner Pierce concurred and said he would like to explore other options.

- Charlotte Regional Partnership - Commissioner Mitchell discussed the Charlotte Regional Partnership (CRP) with the State budget eliminating the partnerships. Commissioner Mitchell said the County should not send the \$40,000 membership fee.

Commissioner Mitchell moved to hold the County's check to the CRP until the County sees exactly how the Legislature would redesign economic development efforts regionally on a statewide level. Commissioner Mitchell said he did not want to de-fund, but rather hold the line item for potential regional dues the County may be assessed as the regional organizations are worked out.

Chairman Sides said he could support a motion to leave the money in the fund but not to fund the CRP.

Commissioner Mitchell agreed and Commissioner Pierce seconded motion.

The motion passed unanimously.

- Employee Pay Raises – Chairman Sides stated that the Board had seen the recommendations from the County Manager for employee raises, which totaled approximately \$525,000.

Chairman Sides discussed an alternate plan that he felt would more closely address employee compression issues. Chairman Sides said anyone who received \$30,000 or less would receive a 2% raise; \$49,999 to \$30,000 would receive a 1.5% raise; anyone over \$50,000 would get a 1% raise. Chairman Sides said the projected costs would be in the range of what was currently proposed and that he would like for someone to figure the exact cost prior to the next meeting.

Commissioner Mitchell said he did not have an issue with the plan; however, he questioned whether the plan would allow someone to move ahead of an employee that was making more.

Ms. Heidrick asked what the Board would want done if the situation mentioned by Commissioner Mitchell did occur and Chairman Sides recommended moving the employee to the next category.

Chairman Sides said he would not have a problem if any Board members wanted to change the percentages. Chairman Sides said he would like a plan that would address some of the compression issues.

Commissioner Pierce said he would like to see the possibilities with different percentage levels since there was no 401k or FICA factored in. Commissioner Pierce said he would like to see the breakdown using the proposed percentages, and if the numbers went over the projected budget, he would like to see a recommendation on what percentages could be used to keep the target figure in the proposed budget.

Chairman Sides said he wanted to put employee raises off until the next meeting and let staff come back with exact figures.

- Rowan Museum – Chairman Sides said the budget for Rowan Museum (Museum) was set at \$17,100. Chairman Sides stated that several years ago the funding was \$10,000 and the Museum asked for additional revenue due to a ruling by the Board that alcohol could not be served or consumed on County property. Chairman Sides said the funding was increased to \$20,000 per year to help make up for the Museum's lost revenues. Chairman Sides also recalled that a couple of years ago, the building was given to the Museum and the funding was not decreased. Chairman Sides said the County agreed not only to give the building to the Museum but to take care of all maintenance and upkeep. Chairman Sides said the County provides the mowing, weed eating, air conditioning, heat, electricity, water, and Fibrant. Chairman Sides said the County had

recently spent \$129,000 on capital expenditures; \$84,000 replacing the roof; \$45,000 on outside repair and maintenance. Chairman Sides said should the heating and air conditioning go out that, too, would be a major expense.

Chairman Sides moved to cut the funding to the Museum from \$17,100 to \$9,000 this year with the idea that over the next two (2) years the funding would be completely cut. Chairman Sides stated that would still put the County responsible for \$29,500 per year in utilities and recurring expenses on top of any capital projects required.

Commissioner Pierce seconded and the motion passed 3-2 with Commissioners Barber and Mitchell dissenting.

- Department of Social Services (DSS) Director – Chairman Sides said that Donna Fayko, DSS Department Director, came from Mecklenburg County and took a cut in pay. Chairman Sides said the DSS Board recently completed Ms. Fayko's one (1) year evaluation and she received a thirty (30) out of a possible thirty (30) rating. Chairman Sides said the DSS Board recommended to the Board of Commissioners that Ms. Fayko receive a 2% raise.

Chairman Sides moved that Donna Fayko be given a 2% raise and Commissioner Barber seconded the motion.

Commissioner Mitchell questioned whether the raise would be inclusive of the one percent (1%) Ms. Fayko would potentially receive from the employee raises, if approved, to which Commissioner Sides responded it would be over and above.

Upon being put to a vote, the motion on the floor passed unanimously.

- Volunteer Fire Departments – Chairman Sides said he had discussed increases for the Volunteer Fire Departments (VFD) with several of the Commissioners. Chairman Sides said he had initially come to the meeting with the idea there would be no tax increases this year. Chairman Sides noted that each VFD had different tax rates and ISO ratings and different set ups with personnel, different types of equipment and buildings. Chairman Sides said he had recently attended a presentation at the Cleveland Community VFD where an idea was presented on consolidating the Fire, Rescue, and the EMS Station in the same building. Chairman Sides felt the idea of consolidation of Fire, Rescue, and EMS under one umbrella organization should be looked at further. Chairman Sides said volunteers were becoming harder to get. Chairman Sides stated that more and more fire stations were going to paid staff or peak time staff. Chairman Sides stated he felt the Board's focus should be to provide

equal protection to all citizens of the County and he questioned whether there was a better way to provide these services. Chairman Sides said he was open to ideas, possibly a task force with all involved. Chairman Sides said it was time to start looking at how many fire stations, EMS stations, and Rescue stations the County wanted and to work towards having equal protection across the County.

Chairman Sides said there were three (3) VFD that had requested increases this year; Cleveland Community requested a two (2) cent increase, with the \$80,000 raised going into an account to build a new fire station. Chairman Sides said he had heard more from the people in the Cleveland Community saying they did not want a tax increase. Enochville was requesting a one (1) cent increase and Mt. Mitchell was requesting a three (3) cent tax increase. Chairman Sides said he could support half of what each VFD was requesting.

Commissioner Barber moved to accept the tax rates as presented and Commissioner Mitchell seconded the motion. The motion failed 3-2 with Commissioners Sides, Pierce, and Caskey dissenting.

Commissioner Pierce moved to increase Cleveland's tax rate by one half (½) cent, increase Enochville's rate by one (1) cent, and increase Mt. Mitchell by one half (½) cent. Commissioner Pierce said the recommendation was based on the numbers where all other fire districts were able to operate within a seven (7) cent level. Commissioner Pierce said the increases asked for by Cleveland and Mt. Mitchell would put them at the eight (8) cent level. Commissioner Pierce pointed out that Mt. Mitchell also received Cabarrus County funding, so the tax rate received from Rowan County was not the VFD only funding.

Commissioner Mitchell seconded the motion.

Commissioner Barber stated the VFDs are a large part of the fabric of the various communities. Commissioner Barber went on to state that the Board of Directors for each of the VFDs was appointed by the district and the Board of Commissioners appointed the Fire Commissioners. Commissioner Barber said he did not feel the Board was close enough to each of the communities to second guess what their Board of Directors and their fire chiefs had requested.

The motion carried 4-1 with Commissioner Barber dissenting.

- Salisbury – Rowan Human Relations Council (HRC) – Chairman Sides said he had sent notice to Ms. Edens, Chair of the HRC, stating the Board did not plan to make any further appointments to the HRC. Chairman Sides said the County does help fund the Martin Luther King, Jr. Breakfast with approximately \$3,000 per year. Chairman Sides said he would

request a vote at the next board meeting about withdrawing from the HRC, which would allow the HRC to change its ordinances as they so chose.

Ms. Heidrick said the next meeting would be on June 17, 2013, and the Budget Ordinances would be provided but would not be in final form as there were some decisions to be made on that date.

Mr. Page wished to clarify one figure in the budget in the amount of \$149,000 for an Assistant County Manager. Mr. Page said the amount was for a plan and not an individual. Mr. Page said the number should be cut to \$75,000. Mr. Page said the \$149,000 was never intended to be the salary.

2. ADJOURNMENT

There being no further business to come before the Board, Commissioner Barber moved to adjourn at 5:28 p.m. The motion was seconded by Commissioner Pierce and passed unanimously.

Respectfully Submitted,

Carolyn Barger, CMC, NCCCC
Clerk to the Board/
Assistant to the County Manager